

To the Honorable Members of
The Illinois House of Representatives,
99th General Assembly:

Today I veto House Bill 580. Nearly one year ago, the General Assembly passed an almost identical bill, Senate Bill 1229. I vetoed that bill because it was a dangerous, unprecedented attack on our taxpayers. HB 580 recycles the same dangerous proposal that I vetoed last fall.

Prior to the veto override vote on SB 1229 and within the last few days, newspaper editorial boards from all corners of the state – north to south, urban and rural, heavily Democrat and Republican districts, and those with large union and non-union readerships – wrote about the dangers of stripping taxpayers of their voice at the collective bargaining table.

The editors at *The Southern* wrote, “[n]othing like SB 1229 exists anywhere in the country. Nor should it. It’s an open assault on transparent representative government.” The *Pantagraph* in Bloomington wrote, “This is a terrible piece of legislation that should have never received much attention.” Just yesterday, the *Dispatch-Argus* rightly called HB 580 “worse than the original.” And *The News-Gazette* described HB 580 as “wrong on so many levels that it represents Exhibit A for the sloppy, irresponsible manner in which our failed state has been and continues to be run.”

HB 580 goes even further than SB 1229 did, sneaking in additional costly language under the guise of technical changes. For the reasons I explain in this message, our taxpayers rightly insist that HB 580 not become law.

We should be very clear about what prompted SB 1229 and now HB 580. A single union, AFSCME, made unaffordable and unsustainable salary and benefits demands during its collective bargaining negotiations, and then refused to meaningfully compromise. AFSCME’s leaders demanded salary increases of up to 29% over four years; a more expensive, platinum health care plan; and lavish overtime benefits, including time and a half after 37.5 hours of work each week and 2.5 times wages for some holidays. AFSCME is demanding that our taxpayers fund these additional benefits to the tune of \$3 billion over the life of the contract. What’s worse, with HB 580, AFSCME wants to ensure that those taxpayers have no say in the matter.

Everyone knows that our taxpayers simply cannot afford these unreasonable demands. As a result, our negotiators emphatically rejected AFSCME’s most costly contract proposals. We offered solutions that are fair to both our taxpayers and our employees. Those proposals included performance bonuses of up to 8% of salary, greater choice of lower cost health care plans, and changes in work rules that would require the payment of overtime after 40 hours of work per week, which is standard and consistent with federal law, rather than 37.5 hours. We also proposed to eradicate underutilization and to promote the hiring and advancement of minorities in state government jobs by setting aside the current arbitrary barriers that stand in the way. AFSCME rejected all of these common sense proposals.

Unaccustomed to having to explain how the State could possibly pay for AFSCME's unaffordable demands, union leaders sought to legislate away such inconvenient questions. AFSCME asked legislators to strip taxpayers of their rights under existing Illinois labor laws. Current law ensures that the Governor represents taxpayers' interests at the bargaining table. Those rights are consistent with every state and municipal labor law in the country and the rights given to employers in the National Labor Relations Act, the federal law that governs all private sector labor negotiations, as well. AFSCME wants to squash those rights precisely because they stand in the way of AFSCME's unreasonable demands.

HB 580 replaces the Governor in collective bargaining negotiations with an unelected, labor-friendly arbitrator who can single-handedly impose the union's \$3 billion demand on the taxpayers, and do so over the objections of the Governor, the General Assembly, the Labor Board, and the majority of taxpayers themselves. One person would have the ability to determine over 25% of our annual budget for the next 3 years, forcing increased taxes and cuts to other vital state services to pay for it all.

More than 30 years ago, AFSCME, and many others in the labor community, were instrumental in writing the collective bargaining laws across the country. In Illinois, AFSCME's efforts led to the passage of the Illinois Public Labor Relations Act, the very law by which these negotiations were conducted for almost a year. Now AFSCME seeks to rewrite its own handcrafted rules simply because our negotiators invoked those same rules to protect our taxpayers against AFSCME's unaffordable financial demands.

The AFSCME bill is crafted to apply to only a single negotiation and a single Governor. AFSCME cannot identify any jurisdiction in the country – even the most labor-friendly – that has ever enacted this type of sweeping rewrite of its labor laws targeting a single negotiating session. Taxpayers, through their elected officials, have an important, longstanding role in public labor negotiations. My action today defends taxpayers who are being denied their voice at the bargaining table.

I urge the General Assembly to stand with taxpayers and sustain my veto. In responding to AFSCME pressure to override this veto, please keep the following two things in mind:

First, a year ago, you were told that SB 1229 was needed to protect all labor unions from a concerted attack on organized labor from a series of unreasonable bargaining demands being made by our administration. But since then, 12 different bargaining units representing the State's electricians, plumbers, painters, machinists, carpenters, engineers, and many others have voluntarily negotiated and agreed to substantially the same proposals offered to AFSCME. Despite AFSCME's heated rhetoric trying to portray our bargaining proposals as unreasonable, these 12 unions chose to join 5 Teamster units in acting reasonably and reaching fair agreements with our administration. State employees ratified many of those agreements by over 80%. Together, these 17 agreements now cover more than 5,000 state employees.

What makes these unions different from AFSCME is none of them insisted upon the same unrealistic financial demands that AFSCME's leadership is still making to this day. Significantly, but not surprisingly, many of AFSCME's own members do not support these demands either. Unlike their union leaders, these members want to be part of the solution, not exacerbate the problem. But AFSCME has refused

to allow them to vote on these proposals. Before AFSCME asks members of the General Assembly to vote to override this veto, why not ask them to let their own members take a vote on the same proposals that were ratified by wide margins by 17 other unions? Given that opportunity, if AFSCME allows for a fair, democratic vote without undue influence by union leaders, I predict AFSCME members would ratify this contract by the same overwhelming margins that their coworkers have.

Second, as you are aware, the impasse in negotiations with AFSCME is currently being litigated before the Illinois Labor Relations Board. AFSCME filed its own unfair labor practice charge that is part of that litigation. The Board will decide if negotiations should continue or an impasse has been reached. The Board will decide if we have offered a plan that is fair to AFSCME members. The General Assembly has a long history of not intervening in active litigation. That is precisely the procedural status of the current proceedings between the two sides. If AFSCME's attack on our bargaining proposals has merit, AFSCME has ample opportunity to make that case to the Board. If AFSCME succeeds, the Board can order both parties back to the bargaining table to negotiate a mutual agreement. There is absolutely no need for the General Assembly to be involved.

AFSCME did say that the Labor Relations Board proceedings are unfair and that you should intervene to stop these hearings before they resulted in a decision. But here, too, AFSCME's leaders are being disingenuous. I have attached a copy of the Tolling Agreement, which is a contract voluntarily signed by AFSCME Executive Director Roberta Lynch herself. In fact, this is the third such agreement signed by AFSCME. This one was signed on September 9, 2015 – just days after the veto override vote on SB 1229.

As the Tolling Agreement clearly states, "if a dispute exists with respect to the existence of an impasse, the parties agree to submit the matter to the Illinois Labor Relations Board." The agreement adds, "this agreement will remain in effect until the ILRB resolves the issue" and furthermore "that this agreement will remain in effect until impasse is reached." Director Lynch signed this agreement freely and voluntarily, including those provisions that select the Labor Relations Board, and not an arbitrator, as the appropriate authority to resolve the present dispute. HB 580 dramatically changes the terms of the Tolling Agreement and would improperly alter the very dispute resolution procedures agreed to by the parties in that contract.

AFSCME also recently filed a separate lawsuit that asks a court to decide if the parties are in compliance with the terms of the Tolling Agreement. AFSCME admits in that lawsuit that the Tolling Agreement was entered freely and voluntarily and is a valid agreement. That is a significant concession that should end any further effort to turn HB 580 into law. AFSCME squarely acknowledges it signed a valid contract. AFSCME should be required to hold up its end of the deal.

But just as with its push for HB 580, AFSCME is also asking the court to rewrite the Tolling Agreement in a way that would permit AFSCME to sidestep the Labor Board process to which it has agreed. Because the issue of what the Tolling Agreement obligates the parties to do is now squarely presented not only before the Labor Board but also in court, the General Assembly has double the reason not to interfere.

The question now before the General Assembly is whether to intervene in ongoing litigation and alter the terms of a binding contract between the State and AFSCME – all at the expense of the taxpayers we

represent. I urge you to resist the pressure to override HB 580 and instead stand with taxpayers by holding AFSCME to its own commitments under the Tolling Agreement.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 580, entitled "AN ACT concerning State government", with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner
GOVERNOR